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Constant

	MEMORA	NDUM FOR:	Director of Central Intelligence				
	THRU:		Deputy Director of Central Intelligence Deputy Director (Administration) NO CHANGE in Class.				
SURJECT		T:	Depletion of the Director's Ceiling Reservation Class. C 10: TS	25X1			
	1. PR	OBER:	Auth: Dot 100 77/3727 Date: Date: By:				
	Ho	w can the	Agency hest meet the continuing need for a reservoir of				
	ci	wilian ceiling positions in the face of a diminishing Director's					
	Ce	iling Rese	erve?				
	2. FA	CTS BEARIN	NG ON THE PROBLEM:				
	a.	The Ager	ncy civilian ceiling as of 31 August 1954 was , ex-	25X9A2			
		cluding	the Director's Reserve. Total civilians on duty against				
25)	<9A2	this cei	lling amounted to leaving unused ceiling slots.	25X9A2			
		These un	nused ceiling slots are distributed in a reasonably equitable				
		fashion	among the six major Agancy components.				
	b.	Tab A pr	resents the relationship between civilian ceilings and				
		civilian	s on duty subject to ceiling for eleven recent months.				
		During t	these eleven months, ceiling has increased slightly while				
		the numb	per of employees on duty has declined a little. However,				
		the gap	between ceiling and number of persons on duty appears fairly				
		constant	and, because of the perpetual attrition and recruitment				
		problems	, it appears that this gap will not be closed appreciably				
			esent conditions.				
	c.	An exami	nation of Agency attrition versus replenishment indicates				
			Office of Personnel is recruiting and processing at a rate				
			proximates attrition. This conclusion is also evidenced in				
•		Tab A					

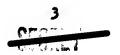
	đ.	The Agency's FI 1955 operating budget provides for a total average	•		
25X9A2	2	employment under ceiling of; and our FY 1956 budget con-			
25X9A2	2	templates These figures include an average employment of			
		60 for the Interim Assignment Branch of the Office of Personnel.			
	•.	Ceiling increases have been accomplished in the past primarily			
		through two devices: (1) Withdrawals from the Director's Reserve			
		and (2) An increase in the Agency ceiling without reference to the			
		Director's Reserve.			
	f.	As of 5 October 195h there were two positions in the Director's			
		Reserve with no known commitments against them.			
3.	3. DISCUSSION:				
	a.	A comparison of the number on duty under ceiling on 31 August 1954			
25X9A2		with the FY 1955 average employment budgeted for	25X9A2		
		indicates that the Agency has an average employment growth margin			
		of 105 for the current fiscal year.			
5X9A2	ъ.	The 31 August ceiling of offers a potential for growth be-			
		yond existing budgetary provisions. However, Agency experience	7		
		during the past year indicates a plateau situation with reference			
		to number of employees on duty. In addition, the Office of Personnel			
		is in position to observe and control factors influencing Agency			
		strength. Thus, in filling up to our budgeted strength, it makes			
		little practical difference as to whether we absorb unused ceiling			
		or add ceiling for this purpose. With a ceiling ofin excess	25X9A2		
		of budgeted average employment, the best immediate controls over			
		the number of employees on duty exist in the Office of Personnel.			
25X9A2	a.	A comparison of the number on duty under ceiling on 31 August 1954 with the FY 1955 average employment budgeted for indicates that the Agency has an average employment growth margin of 105 for the current fiscal year. The 31 August ceiling of offers a potential for growth be- yond existing budgetary provisions. However, Agency experience during the past year indicates a plateau situation with reference to number of employees on duty. In addition, the Office of Personnel is in position to observe and control factors influencing Agency strength. Thus, in filling up to our budgeted strength, it makes little practical difference as to whether we absorb unused ceiling or add ceiling for this purpose. With a ceiling of in excess of budgeted average employment, the best immediate controls over	7		

- c. The following methods of coping with/diminishing ceiling reserved:
 - (1) Eliminating the ceiling reserve as such, thereby requiring major components to live within existing ceilings.
 - (2) Recapturing all or a part of unused ceiling for replenishment of the reserve.
 - (3) Recapturing ceiling allocated to casuals such as those in the Interim Assignment Branch, Junior Officer Trainees, and those on leave without pay in order to reconstitute the reserve.
 - (4) Replenishing the ceiling reserve and continuing the present system. The choice of (1) above is a possibility under any set of circumstances and could be done in combination with (2) or (3). Its use exclusively would deny the existence of an obvious need for an Agency reserve to accommodate small contingency type ceiling increases.

Utilization of method (2) above would offer all of the advantages of (1) in that both methods assume the utilization of unused ceiling. The use of method (2) would be contrary to the existing policy of having T/O's match ceilings.

Method (3), in effect, is simply an accounting transaction. It would serve to reduce the Agency's ceiling arithmetically but it would offer the disadvantage of removing from ceiling control certain employees now subject to ceiling.

Method (4) offers the opportunity to solve the problem with least disruption to the present system. It would result



in gradual additions to the present Agency ceiling as the reserve is used. The governing factor is the number of employees on duty as related to the budget, and this situation requires closer control than the ceiling. Thus, method (4) appears to be the desirable choice because of ease of immediate application.

d. The Director's Reserve has been used generally to satisfy the smaller ceiling increases while larger increases have been accomplished through increases in the Agency's ceiling without reference to the Reserve. The larger increases obviously should be approved by the Director. However, it does not appear necessary to burden the Director with formal requests for withdrawal from the Director's Reserve. The Director could still maintain control over the Agency's ceiling by granting to the DD/A a specified reserve allocation to be approved by the DD/A for use as needed until exhausted.

4. CONCLUSIONS:

a. The consistent relationship between Agency ceiling and employees on duty under ceiling indicates that approximately of the total Agency ceiling will remain unused under present circumstances.

25X9A2

- b. The most desirable immediate solution to the problem is through replenishment of the ceiling reserve and continuance, for the present, of the existing system.
- c. Based upon past performance, one hundred ceiling positions in a reserve may be expected to last at least one year.



- Funds are available to tolerate the gradual resultant ceiling increase provided the Office of Personnel continues present personnel replenishment and recruitment practices.
- The Director should allocate to the DD/A one hundred ceiling positions for satisfying small ceiling increases. This would eliminate the numerically extinct Director's Seiling Reserve and reconstitute an Agency Ceiling Reserve under the DD/A:

5. RECOMMENDATIONS:

It is recommended that the Director's Ceiling Reserve be eliminated in favor of a reconstituted Agency Celling Reserve of one hundred to be administered by the DD/A until exhausted.

Chief, Management Staff

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APPROVED:

Date:

Director of Central Intelligence

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